

DOCUMENT NO. 6
NO CHANGE IN CLASS. ☐
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CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: _____
AUTH: _____
DATE: 21 APR 1980 REVIEWER: 018645

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

28 March 1958

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Implications of Recent Governmental Changes in Saudi Arabia

1. Crown Prince Feisal's recent assumption of increased authority represents an important shift within the dominant group in Saudi Arabia. However, neither the fundamental outlook of the governing class nor the basic power structure within the country has significantly changed, and the forces tending toward the downfall of the Saudi monarchy have at best been only temporarily arrested. We believe that the most important consequences of the events in Saudi Arabia will be felt in other parts of the Arab world and in US relations with Saudi Arabia.

Internal Affairs

2. The events leading up to the royal decree of 22 March, which turned over key powers to the Council of Ministers, dominated by Feisal and composed almost entirely of royal princes, are not fully known. However, it appears most likely that Feisal and a number of other Saudi princes, long dissatisfied with Saud's conduct of affairs and recently

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distressed by the country's financial problems which were affecting their emoluments, seized upon the King's debacle in the Sarraj affair as the occasion to demand a major share of authority. There is no indication that the King, who implicitly acknowledged the failure of his own policy in the decree, made any significant attempt to resist the demands, although as far as is known he still retains paramount personal influence over the Bedouin tribes and the fanatic "White Army." While the King's apparent acquiescence may result in a temporary unification of the royal family, old feuds and jealousies, especially those between King Saud's brothers and his sons, will almost certainly continue beneath the surface. If they break out again, the deterioration of the dynasty would be accelerated.

3. For the immediate future, re-emergence of the relatively capable and respected Feisal will probably make the Saudi Arabian government less vulnerable to the pressure of Nasser's Arab nationalist campaign. The influence of the King's non-Saudi advisers and henchmen, such as the Syrian Yusuf Yassin and the Palestinian Jamal Bey Hussaini, will almost certainly be reduced and they may be totally removed from royal circles. There may be some improvement in administration and some financial reforms which do not seriously affect the existing prerogatives of the princes. Some embryonic opposition groups, notably the Jiddah merchants and Egyptianized army officers, will probably

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initially at least be favorably disposed toward Feisal.

Foreign Policy

4. In regional affairs, Feisal will seek to restore Saudi Arabia at least to the position of neutrality between quarreling Arab groups which it occupied during and immediately after the reign of his father, King Abdul Aziz. This will almost certainly mean an end to adventures in Syria, Egypt, and the Yemen in which King Saud has been increasingly involved in the past year. Improvement in Egyptian-Saudi relations is likely, and might even lead to the establishment of some kind of tie with the United Arab state. The Yemeni relationship with Egypt and Syria has already established a precedent for this. However, Feisal's outlook remains that of a feudal Saudi prince, and he is almost certainly aware that there is no secure place for him in Nasser's Arab unity scheme. Consequently, he will probably seek to retain as much independence as he can of Nasser without renewing King Saud's open quarrel with the Egyptian leader.

5. Under Feisal's guidance, Saudi Arabia will probably seek to bring its relations with the great powers into more even balance. Establishment of relations with some Bloc countries is likely and eventual acceptance of some Bloc assistance may occur. Increased pressure on ARAMCO for a greater share of the profits and more participation in management and control of the country's oil resources is inevitable. An attempt will probably be made to raise the price -- in both economic

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and political terms -- for the Dhahran air base and possibly further to restrict freedom of operations there. Outright expropriation of the oil company or complete denial of the air base to the US appear unlikely in the near future unless Feisal becomes convinced that ARAMCO and the US are actively attempting to undermine his position and his policies. Feisal will probably also attempt to increase pressure on the US for support in his differences with the UK in the Persian Gulf -- especially in regard to the Buraimi problem.

Israel

6. Feisal's intense antagonism toward Israel will probably result in the Israeli problem becoming more than ever the touchstone by which the success of Saudi Arabian policy and the intentions of other powers are judged. Feisal will probably attempt to use the Aqaba question as a test of what he can expect from the US. If he becomes convinced that he cannot obtain what he feels to be adequate support from the West, he may welcome Soviet support, possibly including arms aid. Development programs for the Saudi military establishment may in the future be aimed more directly at preparation for a conflict with Israel. Renewed and closer coordination with UAR military forces may be established. In an area crisis involving Israel, Feisal would probably act more directly and impulsively than King Saud and might under certain circumstances even try to seize the initiative from Nasser. However, we do not believe he will deliberately provoke a war with Israel in the near future.

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7. The chief impact of a new Saudi policy of the kind described above would be the elimination of one of the major indigenous elements hostile to Nasser and the further devitalization and isolation of the newly formed Arab Union of Iraq and Jordan. Regardless of Feisal's actual intentions in regard to the U R, his coming to power appears to represent a repudiation of Saud's open anti-Nasser, pro-West policy, and it will be construed throughout the area as a victory for Nasserism.

8. Feisal will probably abandon the Saudi subsidy to Jordan and withdraw Saudi troops stationed there, moves already initiated by King Saud for financial reasons. In these circumstances Jordan and Iraq, and Lebanon as well, will probably greatly increase their demands for more US support. If these states fail to obtain from the West the support which they consider essential to protect their security, they may feel compelled to seek an accomodation with Nasser.

FOR THE BOARD OF NATIONAL ESTIMATES:



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